

**Los Angeles County  
Board of Supervisors**

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December 07, 2010

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**John F. Schunhoff, Ph.D.**  
Interim Director

**Gail V. Anderson, Jr., M.D.**  
Interim Chief Medical Officer

**APPROVAL OF AMENDMENTS TO MEDICAL AND RADIOLOGY  
REPORTS TRANSCRIPTION SERVICES AGREEMENTS  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

313 N. Figueroa Street, Suite 912  
Los Angeles, CA 90012

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[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

**SUBJECT**

*To improve health  
through leadership,  
service and education.*

Approval of amendments to six transcription services agreements to extend the term of each agreement to allow the Department of Health Services sufficient time to complete the negotiation process and allow for the transition of services to a new vendor.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Instruct the Mayor to sign Proposition A (Prop A) Amendment No. 12 to Radiology Reports Transcription Services Agreement No. 72049 with MedQuist Transcriptions, Ltd. (MedQuist), effective upon Board approval, to extend the Agreement term for the period January 1, 2011 through March 31, 2011 and for continued services at LAC+USC Medical Center (LAC+USC MC) and Martin Luther King Jr. Multi-Service Ambulatory Care Center (MLK MACC) under the same rates, at an estimated cost of \$249,637 for three months.
2. Instruct the Mayor to sign Prop A Amendment No. 18 to Medical Transcription Services Agreement No. 70282 with MedQuist, effective upon Board approval, to extend the Agreement term for the period January 1, 2011 through March 31, 2011 for continued services at Olive View-UCLA Medical Center (OV-UCLA MC) and High Desert Health Multi-Service Ambulatory Care



Center (HD MACC) under the same rates, at an estimated cost of \$197,500 for three months.

3. Instruct the Mayor to sign Prop A Amendment No. 13 to Medical Transcription Services Agreement No. 71386 with MedQuist, effective upon Board approval to extend the Agreement term for the period January 1, 2011 through March 31, 2011 for continued services at MLK MACC under the same rates, at an estimated cost of \$22,152 for three months.

4. Instruct the Mayor to sign Prop A Amendment No. 12 to Medical Transcription Services Agreement No. 74108 with MedQuist, effective upon Board approval, to extend the Agreement term for the period January 1, 2011 through March 31, 2011 for continued services at Harbor-UCLA Medical Center (H-UCLA MC) under the same rates, at an estimated cost of \$250,000 for three months.

5. Instruct the Mayor to sign Prop A Amendment No. 10 to Medical Transcription Services Agreement No. 72144 with PeopleSupport RapidText, Inc. (PSRT), effective upon Board approval, to extend the Agreement term for the period January 1, 2011 through March 31, 2011 for continued services at Rancho Los Amigos National Rehabilitation Center (RLANRC) under the same rates, at an estimated cost of \$75,000 for three months.

6. Delegate authority to the Interim Director of Health Services, or his designee, to execute Amendment No. 11 to Overflow Medical Transcription Service Agreement No. H-209835 with PSRT, effective upon Board approval, to extend the Agreement term for the period January 1, 2011 through March 31, 2011 for continued services at LAC+USC MC under the same rates, at an estimated cost of \$131,500 for three months.

7. Delegate authority to the Interim Director, or his designee, to extend services on a month-to-month basis for an additional three-month period, from April 1, 2011 through June 30, 2011, without any further action required.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommendations is necessary to ensure that delivery of vital medical and radiology reports and overflow medical transcription services continues uninterrupted at various Department of Health Services (DHS or Department) medical facilities during the final negotiation for a successor contractor. The current Agreements will expire on December 31, 2010.

DHS issued a Request for Statement of Information (RFSI) in August 2009 in an effort to identify qualified firms that could provide all of the transcription services and allow the Department to take advantage of the most current technology used for transcription. As a result of the statement of interest evaluation process, three potentially viable firms were identified. In June 2010, your Board approved extensions to these six agreements through December 31, 2010 to provide sufficient time for DHS to complete the evaluation process. Since that time, a DHS team of Information Technology professionals conducted a thorough technical evaluation of the three viable respondents including live tests to validate each respondents connectivity ability which indicated that each respondent is technically capable of meeting DHS' needs. As a result, Department is now negotiating concurrently with the three respondents to determine which one will be recommended to your Board for a

successor agreement. The technical evaluation took longer than anticipated, as it was more complicated than originally projected. Therefore, DHS requires additional time to recommend a proposer based on the final negotiation phase. The recommended three month extension through March 31, 2011, is anticipated to allow time for DHS to complete the negotiation phase, finalize the agreement with the chosen vendor, and obtain Board approval of a new agreement.

Although DHS believes that the requested three-month extension of each of the six agreements will allow sufficient time to conclude the process and return for your Board's approval of a successor Agreement, the seventh recommendation will provide DHS with delegated authority to extend the agreements on a month-to-month basis for an additional three-month period, from April 1, 2011 through June 30, 2011. This further extension will be used only if additional time is required to complete the process and recommend the successor agreement.

### **Implementation of Strategic Plan Goals**

The recommended actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

The current rates set forth in all six Agreements will remain the same during the recommended extension period, January 1, 2011 through March 31, 2011. The total estimated cost is \$925,789 and additional detail is provided on Attachment A.

Funding is included in DHS' 2010-11 Final Budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Agreement No. 72049 - LAC+USC MC and MLK MACC (Radiology Reports)

On March 2, 1999, your Board approved an Agreement with Lanier Professional Services, Inc. (Lanier) for the provision of radiology reports transcription services for LAC+USC MC and Martin Luther King, Jr. Drew Medical Center (now known as MLK MACC), effective February 1, 1999 through December 31, 2003. On September 21, 1999, the County approved a delegation and assignment of rights from Lanier to MedQuist Transcription, Ltd. Subsequent amendments updated contract language and extended the term through December 31, 2010.

Agreement No. 70282 – OV-UCLA MC and HD MACC (Medical Transcription)

On August 20, 1996, your Board approved an Agreement with MedQuist for the provision of medical transcription services for OV-UCLA MC and HD MACC, effective September 1, 1996 through August 31, 2000. Subsequent amendments updated contract language and extended the term through December 31, 2010.

Agreement No. 71386 – MLK MACC (Medical Transcription)

On May 5, 1998, your Board approved an Agreement with MedQuist for the provision of medical transcription services for MLK MACC, effective June 1, 1998 through May 31, 2002. Subsequent amendments updated contract language and extended the term through December 31, 2010.

Agreement No. 74108 – H-UCLA (Medical Transcription)

On July 30, 2002, your Board approved an Agreement with MedQuist for the provision of medical transcription services for H-UCLA MC, effective August 1, 2002 through July 31, 2007. Subsequent amendments updated contract language and extended the term through December 31, 2010.

Agreement No. 72144 - RLANRC (Medical Transcription)

On June 8, 1999, your Board approved Agreement No. 72144 with Medtext, Inc. for the provision of medical transcription services for RLANRC, effective July 1, 1999 through June 30, 2003. Subsequent amendments updated contract language and extended the term through December 31, 2010, and effectuated a name change to PeopleSupport RapidText, Inc.

Agreement No. H-209835 - LAC+USC MC (Overflow Medical Transcription)

On August 4, 1998, your Board approved an Agreement with MedText, Inc. for the provision of overflow medical transcription services at LAC+USC MC, effective August 1, 1998 through July 31, 2002. Subsequent amendments updated contract language, allowed for an increase of \$0.01 in the rate per transcribed line, extended the term through December 31, 2010, and effectuated a name change to PeopleSupport RapidText, Inc.

Agreement numbers 72049, 70282, 71386, 72144 and H-209835 may be terminated by the County with 30 days written notice to Contractor. Agreement number 74108 may be terminated with 30 days written notice by either party.

County Counsel has reviewed and approved Exhibits I through VI, as to form.

**CONTRACTING PROCESS**

Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Board approval of the recommended Amendments will ensure that vital transcription services remain in place and continue uninterrupted at DHS medical facilities.

The Honorable Board of Supervisors

12/7/2010

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "John F. Schunhoff". The signature is fluid and cursive, with a large initial "J" and "S".

JOHN F. SCHUNHOFF, Ph.D.

Interim Director

JS:eh

Enclosures

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

## Attachment A

## Total Estimated Cost

Agreement No.	Contractor	Service Site	Extension Period
			January 1, 2011 March 31, 2011
72049	MedQuist	LAC+USC MC (\$215,000) and MLK MACC (\$34,637)	\$249,637
70282	MedQuist	OV-UCLA MC (\$175,000) and HD MACC (\$22,500)	\$197,500
71386	MedQuist	MLK MACC	\$22,152
74108	MedQuist	H-UCLA MC	\$250,000
72144	PSRT	RLANRC	\$75,000
H-209835	PSRT	LAC+USC MC	\$131,500
Total Extension Period			\$ 925,789

**EXHIBIT I**

Contract No. 72049

**RADIOLOGY REPORTS TRANSCRIPTION SERVICES AGREEMENT**

**AMENDMENT NO. 12**

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day of  
\_\_\_\_\_ 2010,

by and between

COUNTY OF LOS ANGELES  
(hereafter "County"),

and

MEDQUIST TRANSCRIPTIONS, LTD.  
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled "RADIOLOGY REPORTS TRANSCRIPTION SERVICES AGREEMENT", dated March 2, 1999, and further identified as County Agreement No. 72049 and any Amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by both parties; and

WHEREAS, it is the intent of the parties hereto to amend the Agreement to extend the term for radiology reports transcription services scheduled to expire on December 30, 2010, and make the changes described hereinafter; and

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective upon Board approval.

2. This Amendment extends the term of the Agreement for three (3) months for the period of January 1, 2011 through March 31, 2011, under the same rate and provisions as set forth in the Agreement. All provisions of the Agreement in effect on June 30, 2010, shall remain in effect for the extension period. Contractor shall be compensated according to the same payment provisions and same rate(s) specified for the initial term of the Agreement. At the sole discretion of the Director, the term of the Agreement may be further extended on a month-to-month basis for up to three (3) additional months (April 1, 2011 through June 30, 2011). To implement an extension of time, an Amendment to the Agreement shall be prepared by the County and then executed by the Contractor and by the Director, or his designee.

3. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chairman and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By Signatures on original  
Chair, Board of Supervisors

MEDQUIST TRANSCRIPTIONS, LTD.  
Contractor

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

ATTEST:  
SACHI A. HAMAI  
Executive Officer of the  
Board of Supervisors

Title \_\_\_\_\_  
(Affix Corporate Seal)

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
BY THE OFFICE OF THE COUNTY COUNSEL

By \_\_\_\_\_  
Deputy

hsashare/medicaltranscription/Exhibit I 72049-11 EH